Exploration of new markets for export of textiles

† 1879. SHRI NAND KISHORE YADAV: Will the Minister of TEXTILES be pleased to state:

(a) the details of Government proposals to explore new markets for the export of textiles;

(b) whether new markets have been explored for any specific export during the last year;

(c) if so, the details thereof; and

(d) the steps being taken by Government to boost the exports?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (c) India's textile products are exported to more than hundred countries.

However, EU Member States, USA, U.A.E., Canada, Saudi Arabia, Japan, Turkey, Australia, Hong Kong and Singapore are the top ten importers of our textile goods. Government's export promotion efforts are directed to deepen the presence of Indian textiles in major importing countries like US and EU, and simultaneously explore new export avenues in the Latin America, Africa, CIS region, ASEAN countries, Australia and New Zealand.

Ten Export Promotion Councils, Jute Manufacturers Development Council and Coir Board and regularly conducting market driven export promotion programmes; and besides, the Government have also mounted High Level textile delegations to countries like Tunisia, Morocco, Mauritius etc. for developing textile trade with such countries.

(d) The Government has been taking a number of steps from time to time to boost textile exports. Some of the important initiatives taken are:

(i) 100% Foreign Direct Investment is allowed in the textile sector under the automatic route.

(ii) The Government has dereserved the readymade garments, hosiery and knitwear from the SSI sector.

† Original notice of the question was received in Hindi.

(iii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of the sector.

(iv) To improve the productivity and quality of cotton, Government has launched Technology Mission on Cotton (TMC). The mission comprises four mini-missions, which are being Jointly implemented by the Ministry of Agriculture and Ministry of Textiles. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernizing the existing ginning and pressing facilities and setting up of new market yards/ improvement of existing market yards.

(v) Ministry of Textiles has recast the Textile Centres Infrastructure Development Scheme (TCIDS) and Apparel Parks for Exports Scheme (APES) for speeding up the implementation of the Schemes and to actualize the vision of attaining export target of $50 billion by 2010. This scheme is based on Public-Private Partnership (PPP) and envisages engaging of a professional agency for project execution.

(vi) The fiscal duty structure has been generally rationalised to achieve growth and maximum value addition within the country. Except for mandatory excise duty on man-made filament yarns and man-made staple fibres, the whole value addition chain has been given excise exemption option.

(vii) The imports of specified textiles and garment machinery items has been allowed at concessional rate of customs duty to encourage investments and to make our textile products competitive in the global market. The cost of machinery has also been reduced through fiscal policy measures.

(viii) Duty-free imports of 21 items of trimmings and embellishment items are allowed to the garment exporters, upto 3% of their actual export performance during the previous year.

(ix) For speedy modernisation of the textile processing sector, Government has introduced w.e.f. 20.4.2005, a credit linked capital subsidy scheme @10% under TUFS in addition to the existing 5% interest reimbursement.

(x) National Institute for Fashion Technology (NIFT), its seven branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.

(xi) Facilities by way of eco-testing laboratories have been created to enable exporters to get the garments/textiles pre-tested for conforming to the requirements of importing countries.

Initiatives to boost textile exports

1880. DR. KARAN SINGH:
DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether the current row between China on one hand and United States and the European Union on the other is likely to help Indian textile exports;

(b) if so, whether the recent initiatives taken by Government and manufacturers will also help boost exports;

(c) whether US and EU have imposed an import quota on Chinese products according to the provision of the Textile specific Measures clause of the Accession Agreement signed by China; and

(d) if so, to what extent this quality fixation has helped India to improve its trade with US and EU?

THE MINISTER OF TEXTILES (SHRI SHANKERSINHVAGHELA): (a) to (d) As per the agreement reached between EU and China on 10th June, 2005, EU has limited the growth of Chinese textiles exports to Europe in 10 product categories under caps ranging from 8% to 12.5% per year. The actual growth rates of these categories of products during January - March 2005 over the corresponding period January - March 2004 range from 51 % to 534% depending on the category. Thus the growth rate has been severely restricted in order to give a period of adjustment for the EU textile industry to adjust after the elimination of the quota system. This agreement will expire in 2007. India is a major exporter in most of the product categories affected by the Agreement, while we are a leading exporter only in one category, table & kitchen linen.